



Department of Justice

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Eastern District of California

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LONG BEACH MORTGAGE SALES REPRESENTATIVE
CHARGED WITH MAIL FRAUD AND MONEY LAUNDERING

SACRAMENTO, Calif.—United States Attorney McGregor W. Scott announced that a federal grand jury returned an indictment today charging JOEL BLANFORD, 40, of San Ramon, Calif., with six counts of mail fraud and one count of conspiring to engage in money laundering. The defendant is scheduled to be arraigned this afternoon.

The case is the product of an extensive investigation conducted by the Federal Bureau of Investigation and the Internal Revenue Service-Criminal Investigation.

According to Assistant United States Attorneys Benjamin B. Wagner and Courtney J. Linn, who are prosecuting the case, from approximately April 2003 through October 2005, BLANFORD participated in a scheme to defraud Long Beach Mortgage, a wholesale subprime lender and former subsidiary of Washington Mutual, Inc. While working as a sales representative for Long Beach Mortgage, he paid a Long Beach Mortgage loan coordinator in cash and checks to falsify documents, provide false verification of borrowers' employment or professional licensing status, and to turn a blind eye to fraudulent representations contained in loan applications and other documents submitted to Long Beach Mortgage.

In each of the years 2003, 2004, and 2005, the indictment alleges that BLANFORD received, before taxes and payroll deductions, more than \$1,000,000 in commissions and other compensation from Long Beach Mortgage. The indictment further charges that between

approximately April 2003 and October 2005, he conspired with others to engage in money laundering in order to conduct financial transactions to promote the carrying on of the fraud scheme and to conceal and disguise the nature and source of the payments to the loan coordinator. Between April 2003 and October 2005, he paid the loan coordinator more than \$54,000 in checks alone.

In connection with this ongoing investigation, MANPREET SINGH, JOSE SERRANO, JOHN NGO, and IFTIKHAR AHMAD have pleaded guilty to perjury, mail fraud, and/or money laundering charges.

“This indictment reflects the commitment of this office, the FBI and the IRS-CI to follow the facts to wherever they lead us,” said U.S. Attorney Scott. “We have now convicted several individuals who participated at different levels of the loan origination process in mortgage fraud transactions centered in the Stockton, California area. The indictment returned today charges an individual who allegedly worked inside a major subprime lender and who received significant commissions and other compensation in his capacity as a sales representative.”

The maximum penalties for mail fraud affecting a financial institution is 30 years in prison and a fine of up to \$250,000, or twice the value of the gain or loss, whichever is greater. The maximum penalty for conspiring to engage in money laundering is 20 years in prison and a fine of up to \$500,000 or twice the value of the money that was laundered, whichever is greater. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

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